

Senate Amendment 3197

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1 1 Amend Senate File 369 as follows:
1 2 #1. By striking everything after the enacting
1 3 clause and inserting the following:
1 4 1 5 to read as follows:
1 6 214A.1 DEFINITIONS.
1 7 The following definitions shall apply to the
1 8 various terms used in this chapter:
1 9 1. "A.S.T.M." means the American society for
1 10 testing and materials.
1 11 ~~2. "Motor vehicle fuel" means a substance or~~
~~1 12 combination of substances which is intended to be or~~
~~1 13 is capable of being used for the purpose of propelling~~
~~1 14 or running by combustion any internal combustion~~
~~1 15 engine and is kept for sale or sold for that purpose.~~
~~1 16 The products commonly known as kerosene and distillate~~
~~1 17 or petroleum products of lower gravity (Baume scale),~~
~~1 18 when not used to propel a motor vehicle or for~~
~~1 19 compounding or combining with a motor vehicle fuel,~~
~~1 20 are exempt from this chapter except as provided in~~
~~1 21 section 214A.2A.~~
1 22 2. "Ethanol blended gasoline" means gasoline
1 23 containing at least ten percent alcohol distilled from
1 24 cereal grains.
1 25 3. "Motor vehicle" means a self-propelled vehicle
1 26 that operates using gasoline, including but not
1 27 limited to any of the following:
1 28 a. An automobile as defined in section 321.1.
1 29 b. A motor truck as defined in section 321.1.
1 30 c. A motor bus as used in section 452A.57.
1 31 d. A motorcycle as defined in section 321.1.
1 32 e. Watercraft as defined in section 462A.2.
1 33 f. An off-road vehicle which is a snowmobile or an
1 34 all-terrain vehicle as defined in section 321G.1.
1 35 4. "Motor vehicle fuel" means the same as defined
1 36 in section 214.1.
1 37 5. "Motor vehicle fuel pump" or "pump" means a
1 38 stationary pump located at a service station which is
1 39 used for measuring and dispensing motor vehicle fuel
1 40 and which is required to be licensed by the department
1 41 pursuant to chapter 214.
1 42 ~~3- 6.~~ "Motor vehicle fuel storage tank" means an
1 43 aboveground or belowground container that is a
1 44 fixture, used to keep an accumulation of motor vehicle
1 45 fuel.
1 46 ~~4- 7.~~ "MTBE" means methyl tertiary butyl ether.
1 47 ~~5- 8.~~ "Oxygenate octane enhancer" means oxygen-
1 48 containing compounds, including but not limited to
1 49 alcohols, ethers, or ethanol.
1 50 ~~6- 9.~~ "Retail dealer" shall mean and include any
~~2 1 person, firm, partnership, association, or corporation~~
~~2 2 who operates, maintains, or conducts, either in~~
~~2 3 person, or by any agent, employee, or servant, any~~
~~2 4 place of business, filling station, pump station, or~~
~~2 5 tank wagon, from which any motor vehicle fuel, as~~
~~2 6 defined herein, is sold or offered for sale, at~~
~~2 7 retail, or to the final or ultimate consumer. means a~~
2 8 person who operates, maintains, or conducts a service
2 9 station, either in person, or by any agent or an
2 10 employee.
2 11 ~~7- 10.~~ "Sell" means to sell or to offer for sale.
2 12 11. "Service station" means the location of a for-
2 13 profit or nonprofit business in this state where motor
2 14 vehicle fuel is sold or offered for sale on a retail
2 15 basis.
2 16 ~~8- 12.~~ "Wholesale dealer" shall mean and include
~~2 17 any person, firm, partnership, association, or~~
~~2 18 corporation, other than retail dealers as defined in~~
~~2 19 subsection 3 of this section, who sells, keeps, or~~
~~2 20 holds, for sale, or purchase for the purpose of sale~~
~~2 21 within this state, any means a person, other than a~~
2 22 retail dealer, who provides motor vehicle fuel for
2 23 sale within this state.
2 24 Sec. 2. Section 214A.2, subsection 1, Code 2003,
2 25 is amended to read as follows:

2 26 1. a. The secretary department shall adopt rules
2 27 pursuant to chapter 17A for carrying out this chapter.
2 28 The rules may include, but are not limited to,
2 29 specifications relating to motor vehicle fuel or
2 30 oxygenate octane enhancers, including ethanol blended
2 31 gasoline.

2 32 b. In the interest of uniformity, the secretary
2 33 department shall adopt by reference or otherwise
2 34 specifications relating to tests and standards for
2 35 motor vehicle fuel or oxygenate octane enhancers.
2 36 ~~The specifications shall be based on those~~ established
2 37 by the American society for testing and materials
2 38 (A.S.T.M.), unless the secretary department determines
2 39 those specifications are inconsistent with this
2 40 chapter or are not appropriate to the conditions which
2 41 exist in this state.

2 42 Sec. 3. Section 214A.2, subsection 3, Code 2003,
2 43 is amended to read as follows:

2 44 3. a. Gasoline with a mixture of less than ten
2 45 percent ethanol shall be known as high-emission
2 46 gasoline.

2 47 b. Gasoline with a mixture of ten percent or more
2 48 ethanol, but not more than thirteen percent, shall be
2 49 known as conventional blend ethanol.

2 50 ~~b.~~ c. Gasoline with a mixture of more than
3 1 thirteen percent ethanol, but not more than twenty=
3 2 five percent ethanol, shall be known as high blend
3 3 ethanol. For purposes of chapters 323A, 422, and
3 4 452A, high blend ethanol shall be treated as
3 5 conventional blend ethanol.

3 6 ~~c.~~ d. Gasoline ~~shall not contain with~~
3 7 ~~seventy percent or more than twenty-five percent~~
3 8 ethanol shall be known as E-85 ethanol blended
3 9 gasoline.

3 10 Sec. 4. Section 214A.16, Code 2003, is amended to
3 11 read as follows:

3 12 214A.16 NOTICE TO PUBLIC OF BLENDED FUEL == DECAL
3 13 TYPES OF MOTOR VEHICLE FUEL SOLD AT A PUMP.

3 14 1. If motor vehicle fuel containing a renewable
3 15 fuel is sold from a motor vehicle fuel pump, the pump
3 16 shall have affixed a decal identifying the name of the
3 17 renewable fuel. The decal may be different based on
3 18 the type of renewable fuel used. The design and
3 19 location of the decal shall be prescribed by rules
3 20 adopted by the department. A decal identifying a
3 21 renewable fuel shall be consistent with standards
3 22 adopted pursuant to section 159A.6. The department
3 23 may approve an application to place a decal in a
3 24 special location on a pump or container or use a decal
3 25 with special lettering or colors, if the decal appears
3 26 clear and conspicuous to the consumer. The
3 27 application shall be made in writing pursuant to
3 28 procedures adopted by the department.

3 29 2. If high-emission gasoline is sold from a motor
3 30 vehicle fuel pump, the pump shall have affixed a
3 31 label. The label shall identify the gasoline as high=
3 32 emission gasoline and provide notice that its use is
3 33 restricted under this chapter. The design and
3 34 location of the decal shall be prescribed by rules
3 35 adopted by the department.

3 36 Sec. 5. NEW SECTION. 214A.18A PROHIBITION ==
3 37 HIGH=EMISSION GASOLINE.

3 38 On and after January 1, 2006, except as provided in
3 39 this section, a retail dealer shall not sell high=
3 40 emission gasoline, as described in section 214A.2, in
3 41 this state.

3 42 1. This section shall not apply to a retail dealer
3 43 that sells gasoline used to operate any of the
3 44 following:

3 45 a. An aircraft as defined in section 328.1.
3 46 b. A motor vehicle used exclusively for motor
3 47 sports, including on a raceway, if the motor vehicle
3 48 cannot operate on a highway as provided in chapter 321
3 49 or rules adopted by the state department of
3 50 transportation.

4 1 c. A motor vehicle operated by using diesel fuel.
4 2 2. A retail dealer may sell high-emission gasoline
4 3 if all of the following apply:

4 4 a. The high-emission gasoline is premium grade
4 5 unleaded gasoline as provided in section 214A.2.

4 6 b. The high-emission gasoline is sold exclusively

4 7 for the operation of one of the following:
4 8 (1) A motorcycle as defined in section 321.1.
4 9 (2) An antique vehicle registered under section
4 10 321.115.
4 11 (3) A snowmobile as defined in section 321G.1.
4 12 (4) An all-terrain vehicle as defined in section
4 13 321G.1.
4 14 (5) Watercraft as defined in section 462A.2.
4 15 (6) A small motor vehicle such as a lawnmower.
4 16 c. The retail dealer's service station does not
4 17 use more than one motor vehicle fuel pump to sell
4 18 high-emission gasoline at any one time.
4 19 d. The retail dealer does not sell more than six
4 20 gallons of high-emission gasoline at any one time to a
4 21 single customer.
4 22 Sec. 6. Section 422.11C, Code 2003, is amended by
4 23 adding the following new subsection:
4 24 NEW SUBSECTION. 6. This section is repealed on
4 25 January 1, 2006.
4 26 Sec. 7. NEW SECTION. 422.11H E=85 ETHANOL
4 27 BLENDED GASOLINE MOTOR VEHICLE PURCHASE TAX CREDIT.
4 28 1. As used in this section:
4 29 a. "E=85 ethanol blended gasoline" means E=85
4 30 ethanol blended gasoline that meets standards of the
4 31 department of agriculture and land stewardship
4 32 pursuant to section 214A.2.
4 33 b. "Motor vehicle" means the same as defined in
4 34 section 321.1.
4 35 2. The taxes imposed under this division, less the
4 36 credits allowed under sections 422.12 and 422.12B,
4 37 shall be reduced by the E=85 ethanol blended gasoline
4 38 motor vehicle purchase tax credit for the tax year in
4 39 which the taxpayer purchases a new or used motor
4 40 vehicle powered by using E=85 ethanol blended gasoline
4 41 from a retail seller of new or used motor vehicles.
4 42 The tax credit equals the lesser of one hundred
4 43 dollars or the amount paid by the taxpayer less any
4 44 discounts and trade-ins.
4 45 3. a. Any credit in excess of the tax liability
4 46 shall be refunded. In lieu of claiming a refund, a
4 47 taxpayer may elect to have the overpayment shown on
4 48 the taxpayer's final, completed return credited to the
4 49 tax liability for the following tax year.
4 50 b. Married taxpayers who have filed joint federal
5 1 returns electing to file separate returns or to file
5 2 separately on a combined return form must determine
5 3 the E=85 ethanol blended gasoline motor vehicle
5 4 purchase tax credit based upon their combined net
5 5 income and allocate the total credit amount to each
5 6 spouse in the proportion that each spouse's respective
5 7 net income bears to the total combined net income.
5 8 Nonresidents or part-year residents of Iowa must
5 9 determine their E=85 ethanol blended gasoline motor
5 10 vehicle purchase tax credit in the ratio of their
5 11 Iowa-source net income to their all-source net income.
5 12 Nonresidents or part-year residents who are married
5 13 and elect to file separate returns or to file
5 14 separately on a combined return form must allocate the
5 15 E=85 ethanol blended gasoline motor vehicle purchase
5 16 tax credit between the spouses in the ratio of each
5 17 spouse's Iowa-source net income to the combined Iowa=
5 18 source net income of the taxpayers. An individual may
5 19 claim the E=85 ethanol blended gasoline motor vehicle
5 20 purchase tax credit allowed a partnership, S
5 21 corporation, limited liability company, or estate or
5 22 trust electing to have the income taxed directly to
5 23 the individual. The amount claimed by the individual
5 24 shall be based upon the pro rata share of the
5 25 individual's earnings of the partnership, S
5 26 corporation, limited liability company, or estate or
5 27 trust.
5 28 4. This section is repealed on January 1, 2008.
5 29 Sec. 8. Section 422.33, subsection 11, Code 2003,
5 30 is amended by adding the following new paragraph:
5 31 NEW PARAGRAPH. e. This subsection is repealed on
5 32 January 1, 2006.
5 33 Sec. 9. Section 423.24, subsection 1, paragraph a,
5 34 Code 2003, is amended to read as follows:
5 35 a. ~~Twenty-five~~ Until June 30, 2014, twenty-five
5 36 percent of all such revenue, up to a maximum of four
5 37 million two hundred fifty thousand dollars per

5 38 quarter, shall be deposited into and credited to the
5 39 Iowa comprehensive petroleum underground storage tank
5 40 fund created in section 455G.3, and the moneys so
5 41 deposited are a continuing appropriation for
5 42 expenditure under chapter 455G, and moneys so
5 43 appropriated shall not be used for other purposes.
5 44 Sec. 10. Section 452A.3, subsection 1, unnumbered
5 45 paragraph 1, Code 2003, is amended to read as follows:
5 46 Except as otherwise provided in this section and in
5 47 this division, until ~~June 30, 2007~~ December 31, 2006,
5 48 this subsection shall apply to the excise tax imposed
5 49 on each gallon of motor fuel used for any purpose for
5 50 the privilege of operating motor vehicles in this
6 1 state.
6 2 Sec. 11. Section 452A.3, subsection 1A, Code 2003,
6 3 is amended to read as follows:
6 4 1A. Except as otherwise provided in this section
6 5 and in this division, after ~~June 30, 2007~~ December 31,
6 6 2006, an excise tax of twenty cents is imposed on each
6 7 gallon of motor fuel used for any purpose for the
6 8 privilege of operating motor vehicles in this state.
6 9 Sec. 12. Section 455G.3, Code 2003, is amended by
6 10 adding the following new subsection:
6 11 NEW SUBSECTION. 6. a. There is appropriated from
6 12 the unassigned revenue fund administered by the Iowa
6 13 comprehensive petroleum underground storage tank fund
6 14 board to support the super ethanol storage tank
6 15 incentive program as provided in section 455G.23, one
6 16 hundred fifty thousand dollars for each fiscal year
6 17 for the fiscal period beginning on July 1, 2003, and
6 18 ending June 30, 2008. The board shall cooperate with
6 19 the department of natural resources in awarding moneys
6 20 under the program.
6 21 b. This subsection is repealed on July 1, 2008.
6 22 Sec. 13. Section 455G.8, subsection 2, Code 2003,
6 23 is amended to read as follows:
6 24 2. USE TAX. ~~The Until June 30, 2014,~~ revenues
6 25 derived from the use tax imposed under chapter 423.
6 26 The proceeds of the use tax under section 423.24,
6 27 subsection 1, paragraph "a", shall be allocated,
6 28 consistent with this chapter, among the fund's
6 29 accounts, for debt service and other fund expenses,
6 30 according to the fund budget, resolution, trust
6 31 agreement, or other instrument prepared or entered
6 32 into by the board or authority under direction of the
6 33 board.
6 34 Sec. 14. NEW SECTION. 455G.23 E=85 ETHANOL
6 35 BLENDED GASOLINE STORAGE TANK INCENTIVE PROGRAM.
6 36 1. As used in this section:
6 37 a. "E=85 ethanol blended gasoline" means E=85
6 38 ethanol blended gasoline that meets standards of the
6 39 department of agriculture and land stewardship
6 40 pursuant to section 214A.2.
6 41 b. "Motor vehicle fuel" means the same as defined
6 42 in section 214A.1.
6 43 c. "Motor vehicle fuel pump" or "pump" means the
6 44 same as defined in section 214.1.
6 45 d. "Motor vehicle fuel storage tank" or "tank"
6 46 means a container that is a fixture on a site, used to
6 47 keep an accumulation of motor vehicle fuel.
6 48 e. "Site" means the premises where a motor vehicle
6 49 fuel storage tank is located, if the tank is used to
6 50 serve a connecting motor vehicle fuel pump where motor
7 1 vehicle fuel is dispensed to customers on a retail
7 2 basis.
7 3 2. The board shall establish an E=85 ethanol
7 4 blended gasoline storage tank incentive program to
7 5 reimburse the owner or operator of a site for costs
7 6 necessary to install, replace, or convert an
7 7 aboveground motor vehicle fuel storage tank for use in
7 8 storing and dispensing E=85 ethanol blended gasoline.
7 9 An owner or operator shall not be reimbursed more than
7 10 seven thousand five hundred dollars for each tank that
7 11 is installed, replaced, or converted under the
7 12 program. In order to be eligible for reimbursement,
7 13 all of the following must apply:
7 14 a. The motor vehicle fuel storage tank must be
7 15 located at a site.
7 16 b. The site must comply with federal and state
7 17 standards governing new or upgraded motor vehicle fuel
7 18 storage tanks used to store and dispense motor vehicle

7 19 fuel, including E=85 ethanol blended gasoline.
7 20 c. The owner or operator of the site must apply to
7 21 the board in a manner and according to procedures
7 22 required by the board. The application must contain
7 23 all information required by the board and shall at
7 24 least include all of the following:

7 25 (1) The name of the owner or operator and the
7 26 address of the site.

7 27 (2) A detailed description of the motor vehicle
7 28 fuel storage tank to be installed, replaced, or
7 29 converted on the site, including but not limited to
7 30 the model number of the tank if available.

7 31 (3) A statement that the installation,
7 32 replacement, or conversion is necessary to store and
7 33 dispense E=85 ethanol blended gasoline.

7 34 3. A site classified as a no further action site
7 35 pursuant to a certificate issued by the department of
7 36 natural resources under section 455B.474 shall retain
7 37 its classification following modifications necessary
7 38 to store and dispense E=85 ethanol blended gasoline,
7 39 and the owner or operator shall not be required to
7 40 perform a new site assessment unless the site causes a
7 41 clear, present, and impending danger to the public
7 42 health or the environment.

7 43 4. This section is repealed on July 1, 2008.

7 44 Sec. 15. 2001 Iowa Acts, chapter 123, section 6,
7 45 subsection 2, is amended to read as follows:

7 46 2. The ethanol blended gasoline tax credits
7 47 provided in sections 422.11C and 422.33 apply to ~~tax~~
7 48 ~~years beginning on or after~~ January 1, 2002.

7 49 Notwithstanding the provisions in those sections
7 50 limiting the tax credits to taxpayers' tax years, the
8 1 amount of the initial tax credit under these sections
8 2 for each eligible service station shall be based on
8 3 the total number of gallons of ethanol blended
8 4 gasoline sold and dispensed through all metered pumps
8 5 located at the taxpayer's service station from January
8 6 1, 2002, until the beginning of the taxpayer's next
8 7 fiscal year. The department of revenue and finance

8 8 shall perform functions, ~~prior to the beginning of~~
8 9 ~~that tax year,~~ necessary in order to implement the tax
8 10 credits.

8 11 Sec. 16. REFUNDS. Refunds of taxes, interest, or
8 12 penalties which arise from claims resulting from the
8 13 enactment of 2001 Iowa Acts, chapter 123, section 6,
8 14 subsection 2, as amended in this Act, for sales of
8 15 ethanol blended gasoline occurring between January 1,
8 16 2002, and the effective date of this Act, shall not be
8 17 allowed unless refund claims are filed prior to
8 18 October 1, 2003, notwithstanding any other provision
8 19 of law.

8 20 Sec. 17. RETROACTIVE APPLICATION == EFFECTIVE
8 21 DATE.

8 22 1. Section 422.11H as enacted in this Act takes
8 23 effect upon enactment and applies retroactively to tax
8 24 years beginning on or after January 1, 2003.

8 25 2. 2001 Iowa Acts, chapter 123, section 6,
8 26 subsection 2, as amended by this Act, being deemed of
8 27 immediate importance, takes effect upon enactment and
8 28 applies retroactively to January 1, 2002.>

8 29 #2. Title page, line 1, by striking the words 8 30 85 ethanol> and inserting the
following: 8 31 blended gasoline, providing for tax revenue, providing
8 32 for appropriations, and providing for applicability
8 33 and effective dates>.

8 34 #3. By renumbering as necessary.

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